

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 65 - HB 110

March 8, 2015

SUMMARY OF BILL: Changes statute regarding aftermarket, non-mechanical sheet metal or plastic parts constituting the exterior of a motor vehicle. Creates and defines “non-OEM aftermarket crash part” as an aftermarket crash part not made for or by the manufacturer of the motor vehicle. Requires the logo or the name of the manufacturer of a non-OEM aftermarket crash part to be affixed to, or inscribed upon the non-OEM aftermarket crash part, and the logo or name shall be visible after installation whenever practicable. Requires an insurer, repair facility, or installer to, when providing a written estimate for the repair of a insured’s vehicle, clearly identify each non-OEM aftermarket crash part and provide a disclaimer to the part’s source and the provided warranties.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The provisions of the bill will replace an existing regulation promulgated and enforced by the Department of Commerce and Insurance, Insurance Division. Implementation and enforcement of the proposed change will not significantly affect the Division’s workload or current procedures and can be accommodated within existing resources.
- Violations of this new requirement are not addressed in the proposed legislation. Any civil penalties, monetary or otherwise, that may be awarded or imposed from a court of competent jurisdiction, are assumed to be minimal.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- This legislation is unlikely to have a significant effect on the number of non-OEM aftermarket crash parts purchased in the state.
- Any increase in business expenses incurred by any domiciled insurer, repair facility, or installer in identifying all non-OEM aftermarket crash parts used in the repair of an insured’s vehicle is assumed to be not significant.
- Any increase in business expenses incurred by either domiciled non-OEM parts manufacturers or collision repair shops in affixing a logo to such parts will not be

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significant, as any such increase in expenses by the business will be passed down to the customer in the form an increase in the cost of non-OEM parts. The net increase to business expenses is unknown, but is reasonably assumed to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/jdb